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TAGS: [ETRD](#) [KTEX](#) [EINV](#) [PREL](#) [MZ](#) [AGOA](#)

SUBJECT: AGOA III: TEXTILE AND APPAREL PRODUCTION  
CAPABILITIES IN MOZAMBIQUE

REF: A. STATE 026964

[1](#)B. MAPUTO 00269

[1](#)C. MAPUTO 01114

[1](#)1. Overview: Mozambique's once thriving and highly heterogeneous textile and garment industry experienced steady and significant decline throughout the early 1990s. At its peak, the industry was comprised of 45 facilities, including 19 textile and 26 garment factories, producing a wide range of products. None of Mozambique's six existing textile facilities are currently operating at more than minimal capacity. A number of legal issues, including outstanding severance pay for former employees, shareholder/ownership disputes, limited capital, bureaucracy, and inflexible labor laws are all challenges to revitalizing Mozambique's textile industry. While garment exports under AGOA have been limited, with only one garment company currently exporting under AGOA, there is great growth potential and a major new investment is scheduled to come on-line in the next year (Ref B). All fabric used in garment operations is currently imported. Despite the potential revitalization of several existing textile operations, garment operations are likely to rely on imported fabric in the near-term. As noted in Ref C, host government officials and local industry representatives have stressed the importance of extension of third-country provisions beyond September 2004 if Mozambique is to take advantage of AGOA.

[1](#)2. Textile Production Facilities. Mozambique's six existing textile production facilities are: Texlom, Riopelle, Texafrica, Textil de Mocuba, Texmoque, and Texmanta. Two of the six facilities are currently being used or have been targeted for use in other commercial activities. Specifically, Texlom will be the site for a new garment assembly operation; Texmanta is currently being used for a shrimp processing project. Textil de Mocuba, once envisioned as the largest textile mill in Africa, has never operated. As noted above, none is currently operating at any significant level. The remaining three facilities-- Riopelle, Texafrica, Texmoque-- could potentially be revitalized. All facilities contain a variety of machinery that, depending on current condition and product line, could potentially be used if any of the facilities were to be revitalized.

A - Machinery/Technology: Spinning, circular knitting, bleaching, carding, dyeing, combining, mercerizing, winding and sewing thread machines, looms. Most machines date from the late 1970s/early 1980s, though a number of looms were also purchased in the early 1990s.

B- Products: Cotton yarn, sisal cords, folkloric and other clothing fabrics, blankets.

C- Employment: During peak operations, the larger of the three facilities together employed over 4,000 workers. A number of outstanding labor issues remain at the facilities.

D- Inputs: Locally-produced cotton and imported (European) polyester/viscose. The largest facility, Texafrica used local cotton exclusively.

[1](#)3. Apparel Production Facilities: Mauritian-owned Belita is currently the only garment facility operating in Mozambique. It exports to the United States (under AGOA), Europe and South Africa. It currently employs approximately 500 workers. All fabric is imported, principally from Mauritius. Its product-line is comprised mostly of t-shirts. Two other facilities have closed within the past two years. Together, these facilities employed over 700 workers. As noted above, a major new garment facility is expected to come on-line within the next year. Machines are currently being sourced.

[1](#)4. The target markets for finished products have traditionally been discount stores (e.g., Target) in the United States, South Africa and Europe.

[1](#)5. USAID recently contracted a report on Mozambique's textile/apparel facilities which includes an inventory of machinery/technology at the facilities cited above. This report is currently in draft form and will be completed shortly.

LA LIME